

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3772** by Nevárez (Relating to the use of municipal hotel occupancy tax revenue to construct, enhance, upgrade, and maintain arenas, sports facilities, and fields in certain municipalities.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 351.1066 of the Tax Code, regarding the allocation of municipal hotel tax revenue in certain municipalities, to include under this section's provisions (1) a municipality with a population of at least 7,500 located in a county that borders the Pecos River and has a population of not more than 15,000; (2) a municipality with a population of not more than 5,000 located in a county through which the Frio River flows, that is bisected by an interstate highway, and has a population of at least 15,000; and (3) a municipality with a population of more than 7,500 located in a county with a population of more than 40,000 but less than 250,000 adjacent to a county with a population of less than 750.

The bill would add Section 351.1066(b)(2), (c), (d), and (e) to the Tax Code to authorize another use of revenue from a municipal hotel occupancy tax in certain municipalities if certain conditions are met.

Local Government Impact

For an applicable municipality, an additional usage of hotel occupancy tax revenue would have no direct fiscal impact, although indirectly, it could create a savings if another revenue source had been used to construct, enhance, upgrade, and maintain arenas, sports facilities, and fields.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, SZ, KK, SD, AG